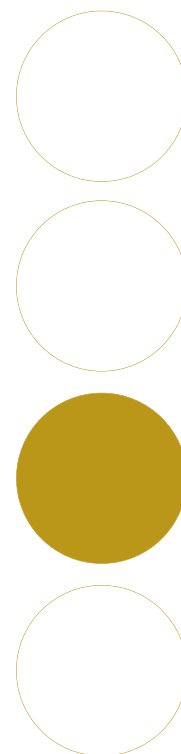


Making American Foundations Relevant

Conversations with 21st Century Leaders in Philanthropy



fOUNDATIONworks

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for the **Philanthropy Awareness Initiative**

foreword

The Philanthropy Awareness Initiative (PAI) is a research project designed to collect and better understand perceptions about philanthropy and the foundation world in the United States today. To some extent, foundation leadership and staff historically have worked behind the scenes to advance their missions and, as a result, are little known for the contributions they make and the impact they create. However, given the results of our research *and* the significance of the foundation sector in America, it is clear that this operating paradigm is increasingly becoming obsolete.

The purpose of the PAI is to determine how the foundation component of the philanthropic sector might increase public understanding of the role foundations play. The PAI is directed by FoundationWorks, an independent organization devoted to helping foundations and others in the sector use strategic communications as a principal agent for enhancing philanthropic effectiveness.

We developed the PAI after reviewing a growing body of research that suggests that little is known about the societal role and value of philanthropic foundations. In this phase of our research, we sought to understand the foundation sector and its challenges through its own eyes. Given the climate of scrutiny and mistrust, do foundations perceive a need to change external perceptions and, if so, why, and which audiences must be targeted? What must they be made to understand?

"Making American Foundations Relevant," the third in a series of four volumes, provides an overview of leadership interviews aimed at revealing what the sector and its observers are thinking about perceptions of foundation philanthropy. This publication and the PAI's two previous reports: "A Research Synthesis on Aspects of Foundations and Philanthropy" and "Philanthropy in the News" can be found on our Web site: www.foundationworks.org.

For their insightful guidance and inspiration, we thank our advisory group comprised of senior staff from the PAI's supporting foundations: The David and Lucile Packard Foundation; the Bill and Melinda Gates Foundation; the William and Flora Hewlett Foundation; the Robert Wood Johnson Foundation. Additionally, we thank David Hicks, Ph.D., of Regis University, for his thoughtful editorial review of this publication.



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table of contents

Individuals Interviewed.....	2
Executive Summary.....	4
Introduction.....	9
Methodology.....	10
Conversations with Leaders in Philanthropy.....	11
Reflections on What We've Learned.....	27
End Notes.....	30

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executive summary

The Philanthropy Awareness Initiative (PAI) is a project begun in 2005 designed to collect and better understand perceptions about philanthropy and the foundation world in the United States today. Our premise and our work are in part driven by the times. The current federal and state regulatory climate for the nonprofit sector as a whole is indifferent at best and hostile at worst. Most typically it is ambivalent, with decision-makers knowing little about foundation philanthropy.

The goal of the PAI is to determine how the foundation component of the philanthropic sector might better express its value to society. Toward that end, we examined two areas to gather baseline understanding: how the major news media has covered philanthropy in recent history and what type of research has been conducted on the sector in the last five years. What we found was enlightening.¹

Just 1 percent of 38,000 news stories analyzed chronicle the impact of philanthropy. Instead, the bulk of the coverage was "transactional" in nature, with stories about unique instances of giving and the process of grant-making (who, what, where, when, and how much). Occasionally, the "why" behind the grant-making made its way into a story. Coverage was neither particularly praiseworthy nor filled with criticism; it was fairly benign and of little meaningful substance. We noticed a distinct gap between how foundations view themselves (as interpreted through their mission statements) and how they are portrayed by the media.

Most of the research on, about, and for the sector has been inwardly focused, examining effectiveness, efficiency and grantor-grantee relations. Most studies appear to have been conducted primarily in reaction to external pressure, such as demands for greater accountability. In their introspective pursuit of trying to come up with the perfect measure of excellence in grantmaking, foundations seem to have lost sight of the larger issue of their impact on the world. And, they have paid little attention to the question of the extent to which an integrated and strategic approach to communications might enhance performance.

For another perspective, we decided to take a look at what foundation leaders, leaders of foundation associations and affinity groups, and others who study the foundation portion of the philanthropic sector for a living think about the sector and how it is perceived by those external to it. We set out with several questions: Do foundations (the organized portion of the philanthropic sector) perceive the need to change or improve how they are perceived by external audiences? If so, how would they define their audience? And, to what end result?

Through the course of in-depth interviews with leading actors in the sector, we found almost universal agreement that the *role* and *importance* of the sector does not register with critical audiences to the extent that it should. With this degree of consensus, the central question became why haven't foundations taken action to address this problem? True change may require individual institutions to make long and hard internal assessments that in turn may force them to re-think their roles in the sector before the sector can redefine its role in society.

HOLDING A MIRROR TO THE SECTOR

Talking with sector leaders and observers revealed not only resistance to a sector-wide effort to shape external perceptions but also opportunities to engage in such an effort. What became remarkably clear is that private foundation philanthropy, which prides itself on advancing and improving the human condition is, paradoxically, *distanced* from people—from those at the highest levels of government to those benefiting the most from their actions.

Although there was widespread agreement on the need to change external perceptions among elites (policymakers and opinion leaders), there was little consensus on why it is necessary, what to do, how to do it, or who should lead it. Interviewees noted that current efforts on evaluation, transparency, and accountability are insufficient to change the perceived value of the role of foundations.

Throughout the interviews, we observed a tension between public and private that may go to the very heart of the undefined space in which foundations operate. Their assets are private, yet the tax-exempt trusts exist only by virtue of public will. They are directed by boards and presidents, yet their business is to benefit the social good. The personalities of most foundations are intentionally private (in part so that grantees may receive maximum benefit), yet have no public face.

The relative insularity of the sector and the apparent belief that 'good works speak for themselves' has left it vulnerable to criticism from policymakers and, furthermore, to being invisible. This state of affairs, which distracts from the sector's purpose at best and threatens its existence at worst, can either inspire yet more stop-gap measures or become the catalyst for a fundamental shift in sector attitudes.

SUMMARY OF WHAT WE HEARD

In the report that follows, we present an array of anonymous quotes from our interviews organized thematically. The list below reflects the key themes and conclusions that emerge from the responses when considered collectively.

- The foundation sector has not defined a clear *role* that firmly establishes its relevance and importance in American society.
- Foundations are not connecting with their audiences. The audiences that matter most are grantees, Congress and other political actors, and, to a much lesser extent, the media and general public.
- Foundations avoid the limelight because they don't want to be perceived as braggarts or steal the thunder from grantees.
- The foundation sector assigns itself "institutional character" attributes that may limit its ability to be proactive and a fear of failure further limits possibility.
- There does not appear to be clear and compelling motivation to change public perception.

RECOMMENDATIONS

Define Who You Are

Private philanthropy begs to be redefined in the context of 21st century civil society. The opportunity awaits foundations to define and articulate the parameters of the problems they wish to address. Foundations can speak out about their role (individually and collectively) relative to the scope of the problems *and* to the role of other institutions (government, nonprofit and private sector) engaged in the same issues. The complexity of today's societal challenges requires a myriad of solutions from institutions with varied resources, strengths, and skills. Thus, the rich diversity among foundations is something to be celebrated and can be an asset deployed to serve multiple functions.

Know Your Audience and Reach Out

Foundations' collective inability to communicate effectively with key groups and individuals is widely acknowledged. If foundations truly perceive these audiences to be mission-critical to success, then continuing with a business-as-usual approach is not sustainable. If you want to be noticed and appreciated by policymakers, elected officials, and other key audiences, you must make yourself relevant. Greater awareness leads to understanding, understanding leads to recognition and recognition leads to relevance.

Own Your Impact by Giving Voice to Your Good Works

'Good works' do not speak for themselves. Sharing stories about successes and lessons-learned contributes to your effectiveness by creating awareness and understanding for what you do. Transparency about what has worked and what hasn't helps to frame and manage public expectations with regard to success while helping peer organizations avoid pitfalls experienced by others. Speaking out about what you do doesn't have to overshadow the contributions of your partners. To paraphrase one sector observer, the public stage is big enough for both grant-makers and grant recipients.

Transform Your Culture to be Proactive and Open

Behavior that is insular, fragmented, and reactionary is perceived to be both widespread and problematic among foundations. A culture shift is needed in order to convey that foundations are benevolent, honest, collaborative, and instructive, and that they act with integrity, and work for the public good. Nearly all respondents noted that there is little willingness to share learning across foundations, and even less willingness to share with the public sector—even though the goals of the original grants and evaluations may be to solve social problems. While diversity (e.g., in size, mission, geographic reach, and scope) was often mentioned as a positive attribute of the sector, respondents were quick to note that this same diversity feeds fragmentation. Small family and community foundations feel somewhat alienated from larger, independent foundations, even though the former are often the most directly engaged with decision-makers and have critical experience and insight to bring to the table.

Drive—Don't React to—Change

Foundations recognize that decision-makers' lack of awareness and understanding will jeopardize the nature of their operations and even, potentially, their very existence. Fear of legislative and regulatory change has intermittently spurred foundations to rally together. However, fear is an insufficient motivator to sustain systemic change. As one interviewee predicts, the sector will continue to be scrutinized, particularly as philanthropic resources and activity continue at phenomenal growth rates. Therefore, it is disheartening that in all our interviews no imperative for change was voiced in the way foundations communicate with those outside the sector. Nevertheless, it is incumbent upon leadership to get ahead of the curve in communicating the role of foundation philanthropy and the impact it can and does have on society. This movement can be accomplished by shifting the way foundations think about the value of their work.

A CALL FOR A SHIFT IN THINKING

Based on our conversations with interviewees and our previous research findings, we believe that foundation leadership and staff must think differently about their missions, their practices, and the impact they truly have on humankind. And to those who say that they cannot measure their impact (because they are still perfecting their effectiveness metrics) or cannot claim to have effected any major social changes, we say, "nonsense!" It may not be an easy task but foundation staff *can* break down into concise, understandable narrative statements the discrete and relevant pieces of the problem at hand and the foundation's role in addressing them. In other words, start to tell stories.

In his 2005 monograph, *Good to Great and the Social Sectors* business scholar and leadership guru Jim Collins suggests that it may not be the "perfect indicator" that matters, "but settling upon a *consistent and intelligent method* of assessing your output results, and then tracking your trajectory with rigor."²

*It doesn't really matter whether you can quantify your results. What matters is that you rigorously assemble evidence—quantitative or qualitative—to track your progress. If the evidence is primarily qualitative, think like a trial lawyer assembling the combined body of evidence. If the evidence is primarily quantitative, then think of yourself as a laboratory scientist assembling and assessing the data.*³

Whether trial lawyer or bench scientist, the point is to make a case and, we would add, *communicate* it. No lawsuits are won, no scientific breakthroughs achieved without effectively communicating the essence of the story.

Foundations need to think less about process and metrics, and more about what brought them to this work in the first place.

At a minimum, foundations need to balance the recent emphasis on determining effectiveness (the head) with the passion and principles (the heart) that underlie philanthropy. The costs of inaction must be weighed. Many of the individuals with whom we spoke clearly recognize that the *status quo* is increasingly unsatisfactory and unsustainable. Foundations are in a position to drive the change necessary to be known for their missions by connecting (for all to see) their work to a set of core values and principles and, therefore, be viewed as integral institutions charged with advancing the common good.

At the conclusion of this report, we suggest a way forward that includes specific action steps. In sum, philanthropic foundations can control their own destiny if they begin anew to frame and share their impact with key audiences so that they are better understood, i.e., begin to tell stories from the heart of the institution. Then and only then will they begin to command some space on decision-makers' radar screens. The stakes—achieving foundation goals in the 21st century—could not be higher.

Finally, it is important to note that over the years, various foundations and their related supporting associations have seen a need to improve public perceptions and have recommended various communications campaigns to heighten the sector's profile. These efforts are recognized as having merit but, for various reasons, have not been embraced and implemented. After speaking with leaders in the sector, we have a better appreciation for the factors that have inhibited the success of these strategies. After reading this document, perhaps you will, too.

INTRODUCTION

The Philanthropy Awareness Initiative (PAI) is a research project supported by the David and Lucile Packard Foundation, the Bill and Melinda Gates Foundation, the William and Flora Hewlett Foundation, and the Robert Wood Johnson Foundation. Its purpose is to collect and better understand perceptions of philanthropy and the foundation world in the United States today. The goal of the PAI is to determine how the foundation component of the philanthropic sector might better express its value to society.

In recent times, as well as cyclically over the past several decades, the nonprofit sector has come under scrutiny by federal and state regulators, and by elected officials who have questioned the legality of its practices. In some cases these inquiries have been motivated by scandals and misuse of funds by various nonprofit organizations. More recently, investigations and proposed fixes seem aimed at curtailing the operational latitude and independence of foundations. This climate makes it all the more important for foundations to clearly convey their role, impact, and value in the community.

We began our work with an analysis of media coverage on philanthropy since 1990 in order to understand what messages from foundation philanthropy were being presented for public consumption. The most surprising finding of this analysis, which covered 15 years and nearly 40,000 stories, was the transactional focus of the coverage. Far from being replete with stories of the positive impacts of charitable giving or even the scandals of abuse that seem to dominate perceptions today, the news about foundations has really been about who gave what to whom and how much—and not much about what happened as a result of the money.

Next, we investigated what research had been conducted about perceptions of the philanthropic sector, particularly foundations. Our analysis was limited to publicly available research studies, and the bulk of this focused on the themes of operational efficacy, grantee needs and, to a lesser extent, public perceptions. Most of the research on public attitudes focused on philanthropy at-large, including charitable organizations as a whole, rather than being foundation-specific. Perhaps the most relevant finding of this research audit is the *insularity* of the foundation sector. The bulk of the work focused on the sector examining itself. There is a paucity of research related to external perceptions, particularly among the public at-large.

In conducting leadership interviews, our intent was to examine the foundation sector's perception of itself, how it thinks it is viewed by others, and whether or not there is a fissure between these perspectives that might be closed. The findings reported here seek to hold up a mirror to foundation philanthropy and describe the perception in the eyes of its participants—foundation CEOs, philanthropic association leaders and the occasional external observer.

Our approach to reporting these findings is to allow the words of "foundation world" actors and observers to speak for themselves. Findings are organized thematically, with our observations and implications bracketing the insightful and often provocative comments of our interview respondents.

M E T H O D O L O G Y

This report presents a synthesis of findings from 43 interviews conducted among current actors within, and observers of, foundation philanthropy. The interview protocol was designed in coordination with an independent market research firm, Edge Research, to ensure the neutrality of our questions. Interviews were conducted by Vikki Spruill and Hollis Hope of FoundationWorks, and were tape-recorded and transcribed to ensure accuracy in reporting.

Finding interview subjects that are truly representative of the sector was challenging in and of itself. Given its great diversity, there is no easy way to divide up the sector other than into broad categories of types of foundations and the professional organizations that have emerged to serve them. Every effort was made to obtain executive-level interviews from a range of foundations (large and small; independent, community, family and corporate) and professional associations that support the sector. We used several sources to identify potential individuals to interview—including the Council on Foundations' and Independent Sector's Web sites, and the Foundation Center's list of Top Foundations by Giving⁴—that would be representative of foundations operating at the national level. We added to the list representatives from family, community, and corporate foundations that have participated actively in sector organizations and affinity groups. We also interviewed several long-time "observers" of philanthropy, including leading thinkers at public policy centers ("think tanks") and academic centers—some who previously served as staff or board members to a foundation. Invitations were issued to 62 individuals, yielding a response rate of 69 percent. Most of the interviews were with the senior-most official of the organization.

TYPE OF FOUNDATION ⁵ AND RELATED PERSPECTIVE	NUMBER OF INTERVIEWS CONDUCTED
Community foundations	3
Corporate foundations	1
Independent foundations	14
Operating foundations	2
National/Regional Associations and Affinity Groups	12
Sector Observers	11
Total	43

We indicate which comments are attributable to foundation leader, professional association leader, or sector observer. Respondents were promised anonymity to assure their candor and cooperation with the research.

Tape transcriptions and handwritten notes of all interviews were independently analyzed by Edge Research. The analysis involved systematic review of the interview transcript and sorting respondent remarks by topic. In the first phase of analysis, the interview protocol was used to define the topic areas for sorting the quotes. In the second phase of analysis, quotes within each topic were examined for common themes and divergent viewpoints. Finally, comments were synthesized into the key themes.

Readers must view these findings qualitatively. The non-random nature and limited size of the sample of respondents prohibits a statistical projection onto the foundation sector as a whole while it nonetheless supports certain key conclusions outlined in this document.

THE ROLE OF FOUNDATION PHILANTHROPY: Who Are We? Why Are We Here?

We're the only field in the world that defines itself by what we're not—the "non-" profit sector.

– Foundation leader

Nearly every interviewee was asked the same question to begin the conversation: How would you characterize the philanthropic sector through the lens of foundations? The majority of respondents pushed the interviewer to further define what was meant by “foundations.” One of the most striking findings is that the sector does not offer a clear, well-defined view of itself. Participants in this sector are better at saying what it is not than what it is.

A Sector that Defies Definition

The most broadly recognized role of the foundation sector is to serve the common good and make the world a better place. Most agreed that this is accomplished by funding organizations that do “good works.” Others noted the unique and important contributions of foundations that the public sector cannot make, due to political and resource constraints and bureaucracies that impede flexibility. Articulations of this role tended to focus on the foundation as incubator, devising innovative approaches to solving social ills. Many noted that the diversity among foundations makes describing the sector difficult and complex.

Philanthropy is about making the world a better place. How you define 'better' goes to your donor intent and it's everyone's vision of what better is, but that's what makes us so diverse.

– Professional association leader

Although most replied with specific examples of “the goal of foundation philanthropy,” some respondents rejected the notion of an overarching goal for the sector, arguing that the sector is united merely by a tax code.

*There isn't a goal of philanthropy. Individual philanthropists have their own goals....
The philanthropic sector has its identity largely as a result of the tax code.*

– Foundation leader

Role Relative to Government

The failure to recognize and adjust the foundation role relative to government over time was cited as contributing to the sector's current identity problems. A few respondents noted the unique cultural forces that allow for the existence of these institutions. It was suggested that the notion of sheltering large concentrations of private wealth to benefit the public good was born out of a different time, before government became the main entity for dealing with social problems. The birth of foundations as a private solution to public ills was natural in the context of the era and a generation of American industrialists, including Andrew Carnegie, who staunchly believed that with accumulation of wealth comes great social responsibility.⁶ As government's role in society continues to evolve, so must the role of foundations.

I think that it behooves foundations to think of themselves in relation to the state. Either to be out in front of the state, trying to lead the way into areas where private philanthropy thinks that there are important issues to be dealt with, that should become part of the public responsibility, or to think of themselves deliberately as dealing with questions which, by their nature, will not be addressed by the state, because they are more controversial.

– Foundation leader

Role Relative to Social Change: Agent or Moderator?

We heard wide-ranging views on the role foundations play with regard to social change. The majority of respondents see foundations as orchestrators of change. Some argued that foundations act as catalysts through innovation. Others believe foundations should advance public policy. Many noted that a unique role of foundations is to identify “root causes” of social problems.

I think the role of grantmakers should be much more policy-driven than actual grant receivers. I think they have a much greater ability to influence policy. The grant receivers have their individual causes and things that they're trying to do and I think they can be very focused on the mission of their organization. The grantmakers can take a much bigger, broader-picture look at what it is we're trying to impact and how to fit the puzzle together ... to reach your intended outcome.

– Foundation leader

Others felt that the perception that foundations should work toward social change is indicative of a failure to understand the political or cultural climate in which foundations operate. Dissenters noted that “social change” is not in and of itself a good thing in the United States and that society must determine over time what change is desirable.

If you are a foundation leader, you have to be able to say... this is how I understand America. This is how I understand what foundations can do to preserve what is good about America or change what is bad. What do we hear from foundation leaders? Well, 'we believe in social change.' Okay, that is good, social change sometimes is good. Sometimes, it is not good. All change is not good. Sometimes preservation is... Foundation leaders have a certain number of canned expressions that they fall back on. Sort of clichés about what they are doing, that substitute for serious thought about the fundamental purposes of philanthropy in the American context.

– Sector observer

If I were constructing a strategy to earn public goodwill for the foundation community as an aggregate I would focus far less on strategic change, which by definition is going to make the public extremely concerned that your idea of strategic change may be to change them. It's really quite condescending and may not in fact serve any interest that they particularly have. I would go back to good old charitable works.

– Foundation leader

Moreover, some respondents challenged the very notion that foundations could address the root causes of social change. This aspect of a foundation's mission, they say is particularly susceptible to the charge of failure. It is difficult enough for foundations to claim credit or success on specific issues related to, for example, hunger, shelter, and education, let alone the root cause of manifest problems.

So, what would change the money that is currently in the sector, I think only a kind of a final embrace of the fact that they have failed to deliver fundamentally on the promise they made a hundred years ago. Which is 'we will get at the root causes of the problems, while charity takes care of the immediate needs.' They haven't got at the root causes and all of the social projects they've supported have not gotten at the root causes.

– Sector observer

So we need ...to face the reality that we need to justify our tax exemption, we need to communicate it simply and not get into a big complicated thing about [social change but] ... just simply be able to demonstrate why we are valuable to the community.

– Foundation leader

Some interviewees noted that foundations' engagement in creating and advancing public policy invites scrutiny from both the federal legislative branch and states' attorneys general.

...If foundations start affecting where the political pressure comes from on policy and political issues then legislators and people who vote them in are going to start caring about those 'unaccountable' dollars.

– Foundation leader

Broad agreement exists, however, that foundation resources are neither intended nor sufficient to replace government spending, nor is it their role to take broad responsibility for social welfare.

...I still think the government's role is to provide a core of social services to its population and that foundations can help fill in gaps and help add on to that sort of core basic level of services, but it should not replace the government. Now I think that's a lot of what that debate is, that foundations can just go and fill in where government is not funding. Well, that's not appropriate because foundation funding should both augment government funding and it should add to it. It shouldn't replace those basic social services.

– Professional association leader

Foundations are first and foremost a source of money... Philanthropy if it's smart will and should be incubator money for a number of these charitable activities. But at the end of the day it won't actually try to run very much of them because that then requires you to take on both vast amounts of expertise and vast amounts of bureaucracy which are themselves replicating for the most part what are already being done by people who already have expertise and who already have organizations.

– Sector observer

Role Relative to Charitable Organizations: Confusion Prevails

While many were quick to distance themselves from charities, respondents acknowledged foundations' inability to distinguish their role in society from that of charitable institutions. In fact, a number of respondents felt that the resulting confusion cries for clarification, particularly among legislators.

Many public charities put the word "foundation" in their name and people get confused as to what a broader independent foundation and a community foundation does as opposed to a public charity that delivers services. I think when you batch this all together without an understanding of who we are and what we do, it can cause problems for the sector.

– Foundation leader

They [the public] don't know the difference between charity and philanthropy. That ought to be evident from America's response to Katrina, where the criticism was that foundations and philanthropy weren't engaged in immediate short-term relief and recovery... It is a fairly isolated field. That is a danger that has to be overcome.

– Professional association leader

A minority view, but one expressed by several, is that foundations' unwillingness to embrace a "charitable" identity is actually contributing to the sector's image problem.

The people who are most activist in our field tend to be more on the problem-solving side and they tend to disparage the charitable side. But the charitable side is what most people understand better. So you really have to start there and accept that and then maybe make a little bridge to the other kind of philanthropy and then talk about it.

– Foundation leader

INTERNAL PERCEPTIONS: Holding a Mirror to Foundations

I hope to God you are spending a lot of time helping the philanthropy world stop looking at its own self, from its own perspective.

– Professional association leader

Interviewees were asked to describe some of the key characteristics of the foundation sector which they see as contributing to the current climate. The most frequently identified qualities were:

- Insular
- Diverse
- Private
- Reactive

Insularity Rules

Many described the nature of foundations as being “inwardly focused” despite missions which emphasize social engagement and public benefit.

I have never seen a group who likes to meet more often in conferences. Never. I've never seen anything like it. They attend more conferences with the same people. It's a very tight-knit community.

–Professional association leader

People are very focused on running their programs and doing their jobs and working in their communities and, having worked in a foundation, I know what the demands are. I know that you constantly feel like a hunted animal because people are always coming at you for something... So it takes a lot to get their attention to get them to step back and think more broadly and more strategically beyond their own institution to really begin to think as part of a field, and it's only in times of crisis when they do that.

– Sector observer

Diversity Within The Sector: A Blessing and a Roadblock

Interviewees were quick to point out the diversity of the foundation sector. In fact it was an almost universal instinct to first define their slice of the sector before offering an opinion about the whole.

I assumed that the foundation community was probably giving the same types of grants in the same manner and in the same way. What I found was that even within the family foundation community there's what I call traditional giving to grantees – the soup kitchens and schools and the churches – but then there is the cutting edge social entrepreneurship that I never knew existed, and I wonder if many policymakers know it exists.

– Professional association leader

That said, there is a sense that the diversity of the community, while recognized, is not truly understood or appreciated within the sector as a whole. Observations of cohesiveness tended to be about specific program or policy successes as opposed to collaborative action on behalf of the sector. A few participants noted a disconnect. While foundations encourage and value nonprofit collaboration among grantees, they appear reluctant to collaborate among themselves.

I am one of those people who fundamentally believe that diversity in philanthropy is important, just like it's important in everything else. I think for a sector that extols the value of diversity, they don't often appreciate the value of the different ways that the different foundations approach things. There is the 'not my problem because I do everything right' [view].

– Foundation leader

It's herding cats. One of the bad sides about flexibility is you do get a lot of idiosyncratic people who are used to being kings in their own castles, so it's hard to get us to line up.

–Foundation leader

I think the more conservative foundations have done a better job of working together and trying to inform and influence public policy, for example, than the rest of the foundation community has. I think probably there was a time, I'm thinking 10 or 15 years ago, when more foundations cooperated with each other than you see today. I think there is a much more pluralistic approach today than you saw 15 years ago.

–Sector observer

The Private Nature of Giving Yields Mystery and Modesty

Interviewees noted that very wealthy individuals who start philanthropies are generally private and perhaps somewhat embarrassed about their wealth. This attribute can become institutionalized within the foundation itself and, evidently, across the sector.

I think from our standpoint we have in the past spent so much time trying to avoid the press or stay out of the limelight that we've missed a lot of opportunities of really good stories that could be told, really good successes of programs that we've been involved in, where we just haven't wanted to tell the story.

–Foundation leader

There's an insecurity that grows out of the awkwardness of having a lot of money to spend and in the case where families are still involved, there's a kind of diffidence about their wealth.... They are glad to have it but they are also sort of embarrassed by the fact that everybody knows it's there.... That leaves them to worry about hostility from government, from the press and everyone else, and that leads them in turn to be unwilling to provide access to much information about what they've done.

– Sector observer

[Foundations] don't actually do stuff. They give it to other people to do, which is one of the reasons that I think modesty is called for.... We really don't deserve thanks, it's our job to find the best people out there and encourage them, and they're the people who deserve the thanks.

– Foundation leader

Some respondents railed against this tendency toward silence, particularly with respect to philanthropic leaders perceived as failing to use their influence to shape Congressional viewpoints.

...I think, sometimes, of the wealthy people who set up foundations, who don't stand up to defend them in the same way they would stand up to defend businesses. I am not sure what it is. Are they embarrassed because they're good guys? Because, frankly, this

shouldn't be happening. I mean, Bill and Melinda Gates are great examples of people who have used this great American tradition to the world's benefit. It should be clear that there is a public policy reason to encourage that.

– Foundation leader

I've been very surprised that the foundations that I know don't have regular strong contact with their members of Congress. These folks are pillars in their own communities who give at fundraisers and give politically, but they are not on a first name basis with anyone from their state politically.... By and large most of these foundations do not run the political circles at all, and I think they do so at their peril.

– Professional association leader

Reactive to a Fault?

Interestingly, while many described the function of foundations as proactively seeking out innovation, respondents readily criticized the sector as *reactive* rather than proactive, particularly when it comes to policymaker relationships.

We have the notion that we're so altruistic, that we're do-gooders. 'Look at what we do.' So we don't have to establish those relationships. You delve deeper and you figure out people don't know what we do. Now that we're threatened, we all [say] we have to have these good relationships in place before we get threatened. Well, we're already being threatened, so it looks a little suspect that now we're just suddenly [trying to meet with Congress].

– Foundation leader

For the most part, foundations...are typically reactive. Something happens, they get some call, some problem occurs and then they try to defend themselves. Some foundations are completely inactive. That is, they don't tell anybody anything about what they're doing and make it very difficult to find out information about the foundation.... I think foundations could help themselves a great deal by being more active in issues that relate to foundations, again not to serve themselves, but to serve the whole sector better by making it known that foundations are an important part.

– Sector observer

Truth or Consequences

While these traits call for structuring a new foundation-sector communications effort, they have also had negative consequences for the sector's reputation.

Sensitivity to Press Coverage But No Plan to Manage it

One finding of the PAI media audit was that only 1 percent of coverage of philanthropy over the past 15 years was negative. Yet, it is this coverage that most interviewees were familiar with and which framed their perceptions of the public climate and response to legislative scrutiny. In response to this finding, most argued back that the negative coverage was what mattered and that they have no control over what the media covers.

I would like to believe that [coverage is not mostly negative] is so, but I think we need to look at the Los Angeles Times and the Washington Post and the New York Times, etc., I am not sure that that outcome is the same. I think where we get the good press is, frankly, in our more regional and local media, that are reflecting on the day-to-day work in their communities, which I think is helpful, but that does not dictate policy outcomes.

– Professional association leader

You know as well as anybody, being in the communications business, that good news is not news. So you can try to get the good news and you can try to get the good things that we do out there, but they're never going to carry the weight with a reporter or a newspaper like a negative story will.

– Foundation leader

Several noted that journalists who cover the sector understand it little better than the general public. Yet, they have either no plan or insufficient resources to increase awareness and understanding. Some relayed anecdotes about their attempts to educate the media and suggested that regional associations might be able to provide support in educating reporters and making the work of foundations more clear.

This is an extremely rarified world known only to its participants and people have no sense of a distinction. I had an editorial writer ask me if he can just contribute money to the Ford Foundation. They don't understand what the money flows are, what the different entities are.

– Foundation leader

A few respondents took the view that the foundation sector has been far too quick to react to negative press and allow regulators to set an agenda to which they must all respond.

One thing that I really get irritated about [is people saying] 'we all need reform.' No, we really don't need reform. Saying we need reform is basically saying we're all corrupt. It's sending the wrong message.... I don't think we need to be accredited. I don't think we ought to have any one person or any one group passing judgment on whether our grants are doing any good or not.

– Foundation leader

Defensive Posture Leads to Decreased Willingness to Communicate

Several interviewees touched on the notion that the charitable sector broadly and foundations specifically are “held to a higher standard” than the private sector. Some respondents took some umbrage at this, but acknowledged that the existence of foundation philanthropy depends very much on demonstrating their unique and benevolent role.

Not everything a business tries succeeds. Not every business that starts up succeeds. But everything that a nonprofit or a foundation does has to succeed remarkably and so we're always using that lens to evaluate the work we do.

– Sector observer

The level of trust required to operate is higher than the commercial sector, people recognize when they give something to us the returns are intangible, and all those things work together to steer us towards success and stories of success. ... Foundations have the capacity to fund experimental work to help try new things and they have the capacity to say, 'that did not work, here's why, here's what we learned from it,' and could respond differently than individual donors who might be making a smaller gift.

– Sector observer

Some believe that the pressure to succeed forces foundations to hide failures when their societal aims and organizational missions would be better served by sharing them.

By failing to talk about foundation roles in a variety of different things that are happening in society, they are simply not achieving the kinds of impacts they would otherwise achieve because everybody is forced to reinvent the wheel. They don't ever talk about the mistakes that were made in the grants.

– Sector observer

The consequence is that the fear of being perceived by the public or press or policy-makers, public officials, as having done something controversial is a very substantial fear.

– Sector observer

EXTERNAL PERCEPTIONS: How the Sector Thinks it is Perceived

If you're not engaged with your member of Congress and with Washington generally...at some point you do it at your peril because Washington will come knocking at your door, and it has been knocking at foundations' doors.

– Professional association leader

Asked to give their perspective on the current state of the foundation sector, many respondents noted the positive things that are happening within their individual institutions, but the perspective across the sector was less optimistic. There is widespread agreement that *all* audiences outside the foundation and charitable/nonprofit institutions themselves have a poor understanding of philanthropy and philanthropic institutions. The elites, specifically congressional representatives, are seen as being about as ignorant as the general public. And, most note that the sector has done little or nothing to educate this audience.

Audiences: Is Anybody Listening?

Understanding the sector's perception of its current situation starts with examining the external audiences they perceive as mattering most. The most frequently cited audience, particularly by large foundations and their associations, is Congress. The Senate Finance Committee is the top-mentioned audience by those who

consider legislators their most important audience. Ironically, nearly all respondents linked Congress' lack of understanding with a nearly dry reservoir of goodwill at times when it is most needed.

People in Congress [don't really] understand what [foundations] are. There was a poll taken among Congressmen in which they were asked what they thought were the best foundations and the one that headed the list was the Heritage Foundation, which is a think tank, not a foundation. So there's a lot of fuzziness in the understanding of what foundations are or how they operate, how they contribute to communities, and so on.

– Sector observer

...I think people working in [the foundation sector] just thought, 'of course people understand what we do and why we do it and why it's important.' ... I guess they shouldn't be surprised that those who don't understand them might be very highly critical of them.

– Professional association leader

Grantees were the second-most frequently mentioned audience of relevance to foundations.

The stage is not only big enough for both [grantmakers and recipients], but the foundations know much more about what grantees are doing in the aggregate than any individual grantee knows. So the truth is when you think of the amount of information that foundations generate inside themselves that never sees the light of day, I'm just appalled.

– Sector observer

Associations and sector observers added a third audience they would like to reach: the next several generations of wealthy individuals who may be poised to establish foundations. Significantly, very few of those interviewed mentioned the public-at-large as an important audience, even though their institutions exist to benefit the common good and their continued operations depend upon public goodwill. Community foundations tended to place more emphasis on the public at large or the communities they seek to serve using both direct outreach and the media. Of the large foundations interviewed, only one saw individual citizens not only as an audience but as the boss:

...Who do I work for? I work for some kid with polio. Who do I work for? Somebody on skid row...who is about to drop-out of school today. That is who my boss is. The day that I forget that, I am not working for the right people.

–Foundation leader

An Uncertain Future

Assessments or characterizations of what is at stake when foundations are misunderstood or irrelevant ranged from a hampered ability to operate freely and flexibly to a sense that the very existence of foundations is threatened.

Threats to Freedom and Flexibility

The most important thing that this sector needs to understand is that we are not only going to grow in size and service, but we are going to grow in scrutiny. We will probably do more to define ourselves in the next five to ten years, than at any time in history. Through that process, we will either adapt a sense of urgency, or we will pay the price: we won't grow.

– Professional association leader

...There are a number of tacks that Congress could take that would significantly diminish the size of the foundation sector within the span of a generation or less, and that could impair their work. It could reshape the whole field and curtail the idea of perpetuity inherent in endowments right now at a time when the rest of the resources for social welfare are shrinking dramatically and will continue to shrink particularly when the impact of deficits kicks in.

– Sector observer

They're proposing some rules in Congress so, yes, it would be legitimate for the foundation sector to feel a little vulnerable, and it's been going on now for a long time.

– Foundation leader

Dampening Future Generations' Attraction to Philanthropy

...We had a briefing about two years ago [with a regional association], and at the end of the time during a board meeting, one of the family members of the board said "Why would an individual establish a private foundation today?"

– Foundation leader

Curtailing Existence

You can't eliminate business, but you can eliminate foundations.

– Foundation leader

I just heard that Senator Grassley's committee just asked for lots of information from a lot of nonprofit hospitals saying how are you different, what are you providing to the community. So, literally, it's coming down to how can you demonstrate how you are justified in having this tax exemption, and we're coming all the way back down to the basis of the sector. The very concept is threatened.

– Foundation leader

There is a sense that even without passage of specific legislation, the sector is responding to threats in sometimes costly ways that divert attention from its goals.

I think everybody has to be much more careful now and we have to look at every single thing that we do to make sure that we are absolutely within the letter of the law. Compliance costs a lot more money.... We've always wanted to do every

thing right, but we are much more careful to make sure that everything is really in good shape.

– Foundation leader

We care about perception both directly and indirectly. Directly, in terms of how the country and peoples' perception influences and affects our ability to achieve our specific goals each as separate institutions, and then the various challenges that can be presented when the sector is not you. That's an indirect way that it affects your day-to-day work. When the sector is changing in ways such as some of the proposed legislation [would have], that might affect our ability to get our work done.

– Foundation leader

CHANGING EXTERNAL PERCEPTIONS: Where There's a Will There's a Way

I think a lot of people don't understand who we are and what we do, and I think we need to do a better job of telling our story.

– Foundation leader

Most believe that the foundation sector needs to spend time and resources to change external perceptions. Greatest agreement centered on the rationale that better understanding and more positive regard among elites would protect the status and operational flexibility of foundations.

Tales of Impact Communicate Value and Build Good Will

Foundation leaders and others voiced concern about the *status quo*, opportunities lost and bemoaned the lack of trust and goodwill toward the sector on Capitol Hill. As a result of foundation philanthropy's failure to communicate proactively, they have a weakened ability to weather storms or bounce back from news of a scandal. Rather than being able to acknowledge and punish the misbehavior of one bad actor within the sector and move on, the sector instead feels subject to widespread scrutiny as the result of one organization's questionable behavior.

I think foundations are more vulnerable than they need to be because the public isn't as aware of the good that foundations do. It should be very hard to ever attack the tax protections under foundations because a politician who does it ought to fear that the public will respond negatively and vote that person out of office because that person has taken on something that is just an unquestioned good, and we are not there.

– Foundation leader

I really want that reservoir of goodwill and I am appalled at the breakdown of the trust. ...To say that we expect that we will be able to continue forging on, doing what we do, is naïve, because in fact, there are lots of people who think that we are privileged rich kids in the institutional sector. We are a source of what I am horrified to think, Congress calls, 'tax expenditures.' They spend money every time a private foundation is created or a community foundation receives a gift. In the eyes of Congress, they have spent money to make that happen, so we must deliver on that promise, in their eyes. I completely disagree with that as an economic analysis, but you know what? That's what they think, that's how they talk and when it comes to balancing the budget, it's not just Grassley who's eyeballing foundations.

– Foundation leader

Every time you get into a problem on the Hill or a problem in a state nobody comes to the defense of the foundations except grant recipients and they are few in number. So nobody comes to the defense of foundations and that's really ridiculous when you think about a sector in a society that thinks that it's doing good for the society and doesn't ever take any efforts to let the public know what they are doing. Here they have the potential for creating significant goodwill and they do nothing about it.

– Sector observer

More broadly, however, most envisioned the benefit of improved understanding among decision-makers as enhancing foundations' opportunities to achieve their goals. Respondents readily acknowledged that establishing and nurturing a reservoir of goodwill could safeguard and even enhance the regulatory environment, so much so that the role foundations play could be enhanced rather than diminished.

A positive relationship with Congress is always better than a neutral or negative one.

– Professional association leader

Barriers to Effective and Sustained Strategic Communications

The most frequently noted barriers to action noted relate to sector characteristics that have already been described. Respondents also acknowledged philosophies and skill sets that the foundation sector has failed to develop.

Foundations have not Embraced Strategic Communications

As previously noted, the tradition of “quiet philanthropy” coupled with the idea that grantees are the entities which foundations should showcase has yielded a sector that shies away from strategic communications on its own behalf.

I think foundations have to understand that it takes a campaign to change perception or to plant ideas that people walk away with and carry in their heads for years....There has to be an intentionality about making communications a significant function and not seeing it as competition that you're trying to get your foundation out front but you want to use examples from other institutions as well as your own.

– Foundation leader

Foundations Lack Storytelling Skills

Although many foundations have the tactics down, the substance is missing. Respondents felt that foundations should be able to tell a meaningful story about the inception and importance of their continued operations and articulate a coherent worldview.

They have the machine part of it right, and they have studied every last detail about the way you structure a press release, and how you send it out, and these are the people you send it to. But the message part of the message machine has been left out.... That is the problem with foundations, they have forgotten the substance of what they do.

– Sector observer

Most of them when they write the histories, if they bother with it, write them in a very jargon, inside-the-beltway kind of language, which to a newcomer is tiresome. So you can't come to these places and pick up something that says in plain English this is where we started; this is what happened, this is how much it costs, this is the rocks we ran into along the way, here's how we overcame them, and this is the wonderful result. It's about recapturing your history in clear writing, in simple English. Most people just don't do that and can't do it. You can find people who can do it with them, but it hasn't been seen as a valuable function.

– Foundation leader

Intellectual, not Emotional in their Approach

Some respondents noted that foundations are so oriented toward process that it is difficult to connect emotionally with external audiences. Rather than talking about the people their funding has helped, they just talk about *how* they were helpful.

The notion that there is an intellectual or strategic approach [to grant-making], is either not well understood, not appreciated or fundamentally not believed, because most people give for some emotional reason, not for some intellectual reason.

– Foundation leader

Fear of Owning Impact

Although many voiced the need to demonstrate impact to external audiences, they also talked about their reticence to do so. Some respondents don't wish to upstage grantees. Others pointed to an operating climate that emphasizes evaluation, and to the complexities of measuring success in meaningful ways.

My theory is that what you will end up capturing is that 'we helped 72 blind babies gain sight,' as opposed to 'we found a metaling problem with children being born with eye diseases and we were able to figure out that it was related to some environmental toxin because they live in public housing projects that are contaminated by X, and then we were able to deal with the services and then advocate with the city to change the products they use.'

–Foundation leader

Motivations and Opportunities to Act

Many respondents noted that foundations typically coalesce under threat and remain cohesive only as long as it takes to win the round. Interviewees further acknowledged that this fear factor is insufficient to sustain momentum or win the war.

Fear would make you compliant, but fear is not going to project you into thinking about the higher order of social good.... There has got to be an element of fear, but there has also got to be this pull strategy.

– Foundation leader

Further sporadic communications were criticized as yielding insufficient benefit.

With respect to political people [communication] is so spasmodic that it's also not credible. There are few foundation presidents who take time to go down and work on the Hill, get to know people down there, even before the crises were here. ...In my view it cannot be done on a defensive basis episodically. ...They've got to understand that public officials are not always, or for the most part, loose cannons. They do, in fact, react to what their perceptions of the public attitudes are. So, if the foundation community wants to make a difference for itself and for the causes it cares about it's got to get into the business of trying to influence the public in a continuing, systematic way.

– Sector observer

MOVING FORWARD: From Isolation and Insularity to Relationships

I think that they need to educate [the public] based on sound research. If they think that they're going to do it with PR and puff pieces, they're sadly mistaken.

– Sector observer

Across the interviews a prevailing assumption emerged: Better explanations and examples would yield desired understanding and appreciation of foundation philanthropy. Yet the sector seems ill-equipped to take on an educational effort about itself. Many expressed an aversion to a top-down, one-size-fits-all approach. Skepticism was evident about anything that could be perceived as a “PR campaign.”

I would not do any broad-scale campaign. I think it costs a lot of money to do it and to do it right, and I think that opinion leaders' first reaction is, 'shouldn't they be spending money on charities, why are they spending money trying to convince me they're good?'

– Professional association leader

That's one way of doing it, but it's not going to be taken as seriously as having solid research that's done by researchers instead of PR people and consultants who are hired to make things look good.

– Sector observer

Not Top-Down, Not Bottom-Up. Try Inside-Out.

There was general agreement that the foundation sector will need to undergo an internal culture shift in order to embrace and act on a plan to engage with and alter public perceptions. Two ideas were posited as concepts that the Foundation community might embrace to start this shift: "philanthropic citizenship" and "philanthropic policy."

The issue missing is the understanding of and the commitment to, what I call philanthropic citizenship. ...We talk about philanthropy promoting civil society, and yet we are not willing to make that initial commitment to be a citizen of the philanthropic community. That has to change.

– Professional association leader

It's interesting because some people call that public policy work, and I say let's call that philanthropic policy work. Because the minute you say, let's talk about public policy, it's like, well there's two different kinds. There is the stuff that's for us as a regulated industry, but usually when people say public policy, it's the mission-related policy they work on.

–Foundation leader

Tactically, most interviewees suggested how to better leverage the connections of trustees and foundation CEOs to create relationships with Congress and other decision-makers. What they're really asking for is individuals within the sector to become leaders.

If they are going to do things that they care deeply about and are controversial, they've got to be willing to get out there. Part of the job of foundations is to lead. The literature on leadership in politics says maybe the most important thing that a political leader does is educate the public about the things they care about.... The same thing is true about foundations and you can't educate the public if you can't talk to them.

– Sector observer

Community foundation and related association leaders said diversity has not been used to its advantage in presenting a 'public face' to the sector.

We know that we have the connections; we just aren't telling the story. Some people don't have any capacity to break into the connections. Grassroots nonprofits, for example, or whatever, they don't have linkages to the power structure. But the foundation community is perfect and the small foundation community especially.

– Foundation leader

The community foundations... have got to sing for your supper. In order to continue to meet the public support test, you have to appeal to a certain number of donors every year who will give you a certain amount of money so you can continue to show that you are broadly supported by your public, your community.

– Foundation leader

Whereas in business the key driver in the flywheel is the link between financial success and capital resources, I'd like to suggest that a key link in the social sectors is brand reputation—built upon tangible results and emotional share of heart—so that potential supporters believe not only in your mission, but in your capacity to deliver on that mission.

– Jim Collins , *Good to Great and the Social Sectors*⁷

Be Known For What You Do

To be valued in this world, institutions must be understood. According to our research, foundations talk about and highly value intellectual and process-oriented concepts such as effectiveness, transparency, and accountability. But where is the heart? We argue that foundations will be more successful—indeed, more effective, transparent, and accountable—to the extent that they can articulate and effectively communicate their goals and aspirations, their accomplishments and foibles.

At the heart of foundations' work are people and the communities in which they live. Foundation leaders and staff can make great strides simply by telling stories about what it is that they do, how it connects to their mission, and how their actions, and the resulting lessons-learned relate to their communities. They can provide models for storytelling that are now largely absent in the foundation sector.

Below we outline the challenges, identify what's impeded action in the past, and suggest ways to break through with new ways of thinking and talking about the good works of foundations.

Define Who You Are

Foundations have an opportunity to **define and articulate** who they are and the parameters of the problems they wish to address. Without a clearly defined role, foundation philanthropy will continue to be vulnerable to attack and to being defined by others. Foundations can speak out about their role relative to the scope of particular issues and problems *and* to the role of other entities engaged in working on the same challenges. Often, diversity of the sector was mentioned as an obstacle to collaboration on behalf of the whole. But the complexity of today's societal challenges requires a myriad of solutions from institutions with varied resources, strengths, and skills. Thus, the rich diversity among foundations is an asset and something to be celebrated. As noted by one interviewee, "Whether you like it or not, the spotlight is on the foundation world. We have to define ourselves or we will be defined by someone else."

Know Your Audience and Reach Out

Foundations need only to **imagine** the potential for growth and opportunity when the right audiences understand the impact of their work. If foundations truly perceive certain audiences as mission-critical, then they must make themselves *relevant* to their target audiences. Although some variation in audience priority among different types of foundations would undermine a unified approach for strategic communications on behalf of the sector, at the same time such variation offers an opportunity for actors within the sector to, again, capitalize on their diversity and target specific audiences accordingly for greatest impact.

Communicate the Impact of Your Work

Your **impact** lies at the heart of being understood and relevant. Many noted that foundations have a fear of “owning” what they can and do achieve. Quietly hiding behind grantees and not talking publicly about success stories feeds into public and elite questioning: “Where does the money go?” Many interviewees felt that owning up to failure has the potential to be as powerful as telling success stories. The fear of owning and sharing mistakes seems particularly at odds with those organizations that claim that innovation and entrepreneurial approaches to problems are the focus of their grant-making. But businesses fail all the time and from the ashes rise new ideas and approaches.

If foundations never admit mistakes, are they setting up unrealistic expectations in the minds of their key audiences? Foundations themselves may be perpetuating the “higher standard” to which many respondents feel the sector is held. Rather than being perceived as taking credit for the work of all grantees or as competing with them, foundations have an opportunity to engage in strategic and collaborative efforts designed to further enhance and celebrate the work of all while demonstrating the unique and important contribution of foundation philanthropy. It is time to move toward a true model of partnership and away from one of patronage.

Give Voice to Your Good Works

They do not speak for themselves. **Sharing** stories of your impact contributes to your effectiveness because awareness leads to understanding, understanding leads to recognition, and recognition leads to relevance. The fear of failure and an unwillingness to share lessons learned from mistakes contradicts the sector's desire to be seen as innovators and stymies breakthrough thinking that often comes from mistakes. Foundations will benefit by increasing their perceived value in society and their peers may be spared traveling avenues tried and failed by others, allowing all to make greater leaps more quickly. At the same time, transparency about what has worked and what hasn't helps to frame and manage public expectations with regard to success.

Transform Your Culture to be Positive and Proactive

Interview participants readily described institutional qualities of insularity, privacy, fragmentation, and reaction as both widespread and problematic. Taken collectively, these traits are antithetical to foundations' purposes and roles in society. A **culture shift** is needed in order to convey to the world that foundations are benevolent, honest, collaborative, and instructive, that they act with integrity and work for the public good. This shift will involve changes in both the way individual institutions integrate strategic communications *and* how they view their sector co-habitants.

Recognize Your Power to Drive Change

It is incumbent upon the sector's **leadership** to get ahead of the curve in communicating its role and impact on society, through storytelling and relationship-building. The responsibility for inaction also lies with leaders in the sector. Philanthropic foundations can control their own destiny if they begin anew to frame and share their impact with key audiences so that they are better understood.

A Way Forward

A clear case has been made for the need to act, even if there is no obvious will to change. A few steps are listed below that can help you begin to be known for the good that you do.

- Prioritize storytelling and relationship-building
- Frame your work within the context of your individual missions and the desire to advance the public good
- Demonstrate value at a human level
- Identify and cultivate champions for the sector
- Use sector diversity to its advantage by showcasing the work of community and family foundations
- Act together in a bipartisan fashion to preserve and enhance philanthropy policy
- Don't forget for whom you work—the public that endows you with the privilege to operate. They deserve to understand what you do.

The time has come for foundations to more openly share the impact of the work they initiate. It is in sharing their successes—from lessons learned in failure and risk, to incremental steps toward progress—that real understanding can emerge. With understanding comes continued support and encouragement, and with encouragement comes a climate ripe for winning solutions.

END NOTES

- 1 Reports detailing our findings, *Philanthropy in the News: An Analysis of Media Coverage, 1990-2004*, and *A Research Synthesis on Aspects of Foundations and Philanthropy* are available on the FoundationWorks Web site at www.foundationworks.org.
- 2 Collins, Jim. *Good to Great and the Social Sectors*. Boulder, CO: Jim Collins. 2005. p. 8.
- 3 Collins, p. 8.
- 4 Top 100 U.S. Foundations by Total Giving, The Foundation Center's Web site, retrieved on June 30, 2005 from http://fdncenter.org/research/trends_analysis/top100giving.html. According to the Foundation Center, the list "includes the 100 largest U.S. grantmaking foundations ranked by total giving, based on the most current audited financial data in the Foundation Center's database as of June 1, 2005. Total giving figures include grants, scholarships, employee matching gifts, and other amounts reported as "grants and contributions paid during the year" on the 990-PF tax form."
- 5 For clarity purposes, this research encompasses private foundations only. We rely on The Foundation Center's broad definition: "a foundation [is] an entity that is established as a nonprofit corporation or a charitable trust under state law, with a principal purpose of making grants to unrelated organizations or institutions or to individuals for scientific, educational, cultural, religious, or other charitable purposes." For a complete history of organized philanthropy in the United States and a discussion of the distinction among "independent (family or general-purpose) foundations, corporate foundations, operating foundations, and community foundations, please see Dr. Dwight F. Burlingame's three-volume encyclopedia, *Philanthropy in America*, (2004, Santa Barbara, CA: ABC-CLIO) Retrieved September 5, 2006 from <http://ebooks.abc-clio.com/?1576078612&230>. p. 230.
- 6 Burlingame, Dwight F. (2004). *Philanthropy in America*. Santa Barbara, CA: ABC-CLIO. Retrieved September 6, 2006 from <http://ebooks.abc-clio.com/?1576078612&648> p. 648.
- 7 Collins, p. 25.

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